

digest

OF THE NETHERLANDS



*History and
Political Aspects*

Digest of the Netherlands

Part 3. History and Political Aspects

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It is said that the Batavi who, together with the Frisians and other Germanic and Celtic tribes, form the oldest inhabitants of the Netherlands known to history, came to the marshy delta area of the Low Countries by the sea on tree trunks floating down the Rhine. This story is probably not the literal truth; the tree trunks at any rate were doubtless wooden rafts, and many of these hunting and cattle-keeping Germanic nomads doubtless came over land in ox carts. And yet this traditional story is in a certain sense symbolic of the history of this country, which the Rhine traverses like a silver thread. To put it a different way, the history of the Netherlands is the history of the delta of two of Europe's great rivers, the Rhine and the Meuse.

Here, as in every other delta favoured by a temperate climate, intensive agriculture was possible. This soon proved capable of contributing towards the considerable wealth of these regions and in later days, when perfected farming techniques helped the production of very great yields, it was one of the factors allowing the Netherlands to have a very dense population (the country is now the most densely populated in the world).

The long coastline of these regions invited fishing and sailing, and in their turn these soon led to trading, partly because the British Isles and other ancient centres of civilization such as France and the Baltic countries were not far away. Perhaps this commerce developed from the possibility of carrying profitable cargoes back to the Netherlands on return trips with otherwise empty holds.

Another factor which contributed to the Low Countries by the sea becoming and remaining one of Europe's most important trading countries was the Rhine, which rises in the heart of Europe in the Swiss Alps, not far from the Italian frontier, and which at a very early stage had become an important European trade route, along which even the silk from far Cathay was exported from Venice to the North. But let us return to our Batavi. Soon after they had settled in the Low Countries they found themselves obliged to enter into an alliance with the Romans. In the four hundred years during which the Romans controlled the Meuse-Rhine delta, they started a battle which has remained an integral part of Dutch history up to today: the battle against the water. The natural waterways formed by the rivers were supplemented by canals (the Dutch countryside today is still characterized by the flat, windmill-dotted polders, intersected by canals). The regular flooding of the great rivers when the snow melted in the Swiss Alps or heavy rainfall in the Vosges or the Ardennes caused the Meuse to swell was kept within bounds by the construction of dykes on both sides of the river bed.

With the collapse of the Roman Empire the order which had made possible the maintenance of dykes and canals disappeared for a long period. In the early Middle Ages the Low Countries developed into a *fairly independent* outpost of first the empire of the Franks and then, after the death of Charlemagne (814) and the division of his empire, which covered much of Europe, of East Francia, the cradle of many to the Holy Roman Empire, who continues to uphold the Carolingian traditions. Before long, however, he finds himself a monarch among his monarchs and the title of Emperor now only serves to hallow his mission of protecting the Christian Church and the faithful in his Empire.

Isolated behind their marshes and rivers, the local rulers of in particular the western part of the country, 'Holland' (after which the whole country is also known today), had the opportunity to develop to great independence, and they were aided in their efforts by a prosperous population of fishermen, seafarers and merchants. Whereas in many other parts of Europe throughout the whole of the Middle Ages, and here and there even up to recent days, a predominantly agricultural population continued to be dominated by the feudal landowners, in the Netherlands an urban merchant class came into being, with a fairly high degree of independence in dealing with its own affairs.

The prosperity of these towns, some of which, particularly Maastricht, Nijmegen dynasties. The decline in the power of the mentioned Emperors enabled the Dukes of Burgundy, great lords from the north of France (West-Francia), a state rapidly increasing in importance, to extend their rule to cover the Netherlands in short order. Through marriage and military campaigns they managed to gain possession of the greater part of the Low Countries in the fourteenth and fifteenth centuries. The origin of Dutch national consciousness and the national state lies in this Burgundian period. It was a Burgundian duke, Philip the Good, who in 1463 called together for the first time the States-General, the representatives of the nobility and the burghers from the various Netherlands provinces. In those days economic life was aided in part by a vigorous continuation of the construction of dykes, which had begun again as far back as the tenth century. All the inhabitants of the surrounding area, led by representatives of the central authority, known as dyke-reeves, helped to maintain these dykes.

Spiritual and cultural life also flourished. Thomas à Kempis and 'modern devotion' represented Christian mysticism, whilst Erasmus of Rotterdam was the oldestponent of humanism (the Netherlands had been converted to Christianity as far back as the eighth century, mainly from England). It was about this time, too, that the first of the great Dutch painters appeared on the scene: the brothers Hubert and Jan van Eyck, Hieronymus Bosch and Pieter Brueghel who, together with so many

others, made an important contribution to Dutch culture. Music likewise flourished. In 1515 the Netherlands came under the rule of Charles V of Hapsburg, King of Spain, heir of the Burgundian rulers and elected Emperor of the German Empire. The Spanish period of Netherlands history now began. Charles V conquered the last northern and eastern parts of the Netherlands which still stood aloof, and in 1548 he granted the Netherlands a certain degree of legal independence within his German Empire. This flexible attitude of the German Emperor and Spanish King Charles V was partly the result of the fact that he was born in the Netherlands and educated by a Utrecht priest, who later became the first and only Dutch Pope under the name of Hadrian VI.

Forty years after ascending the throne, in 1555, Charles V abdicated in favour of his son Philip II, who was born in Spain and who regarded the Netherlands as part of his Spanish empire, to be ruled in the same absolute manner as the other countries which he had inherited. The spirit of independence of the burghers of the towns, which were steadily growing in importance, resisted the centralized rule of Philip, as was only to be expected from men who had long been used to settling their own affairs. Philip's tax policy, which was aimed at extracting from these prosperous provinces the means for the expansion of his Hapsburg empire, likewise met with understandable resistance from the rich merchants. Finally, the King's intolerance towards the nascent Protestantism, which he attacked with the terrorism of the Spanish inquisition and which he, 'el rey católico' (the Catholic King) hoped to exterminate, evoked fierce resistance from the burghers, who were partly Protestant and on the whole tolerant, as became good merchants. It was the Dutch nobility who were the first to resist the high-handed action by the ruler, but soon the dissatisfaction of the population at large erupted.

When Philip sent a Spanish army rigorously to suppress this resistance, the Netherlands war of liberation, the Eighty Years' War, broke out in 1568. William of Orange, the Father of his Country, founder of the present dynasty, became the leader of the rising and the architect of Netherlands independence. Prince William of Orange, also known as William the Silent, the inspiring leader of the rising, was himself a great champion of the principles of tolerance and personal freedom. His leadership inspired the seven northern provinces to band together freedom. His leadership inspired the seven northern provinces to band together and to continue the struggle as the Republic of the United Netherlands even after the southern provinces had once more submitted to the rule of the Spanish king. The guiding principles of Prince William, the founder of the Republic, found frequent expression in the decisions of its governing body, the States-General. This official body, when deposing Philips II of Spain because he had oppressed his subjects instead of protecting them, declared that all people have a right to defend their duty 'inmate liberty', that they are born free and that it is their entitlement and their duty to protect this freedom from tyranny.

In this Eighty Years' War the Dutch laid the foundations for their existence as an independent nation, which had to be recognized by Spain in 1648 in the Treaty of Münster. This independence had already existed de facto for dozens of years. The struggle itself led to new and greater prosperity for the Low Countries. Commerce and shipping, the latter backed by a shipbuilding industry which, even in its early days, had succeeded in inventing revolutionary new types of ships and which is still important in our day, had already been foremost in Europe for centuries. When Spain conquered Portugal all the ports in the Iberian peninsula, where the products of the Indies were landed, were closed to the Netherlands. Since Columbus had discovered America and Vasco de Gama had found the sea route to Asia, Spanish-Portuguese commerce and shipping had developed into a concern spanning the globe. But now the Dutch had either to give up their share in Europe's trade in the valuable products from Asia and America or to find their own route to the countries from which these products came. They chose the latter alternative and, whilst the Eighty Years' War was still being fought, they succeeded in obtaining access to Asia and America, their ships having already visited the latter continent at an earlier date. In 1596 Cornelis Houtman sailed with the first Netherlands fleet into what was soon to become the Netherlands East Indies. Olivier van Noort made the first, very adventurous voyage round the world under the Dutch flag from 1598 to 1601. The Englishman Henry Hudson, in the service of the Netherlands, sailed from Amsterdam in 1609 to begin a voyage which led not only to the discovery of the Hudson River but ultimately to the foundation of New Amsterdam or, as it is known today, New York, in 1626. A Dutch colony came into being in Brazil. Even before the independence of the Netherlands had been formally recognized, the country had developed into the world's first maritime power. The water, the arch-enemy and the oldest friend of the inhabitants of the Low Countries, now came into its own. Goods carried from the four corners of the earth were conveyed up the Rhine into the heart of Europe, or were reshipped to the surrounding coasts of the North Sea and the Baltic.

At the same time the water within the frontiers of the Netherlands, which still remained behind in a large number of lakes, was driven back by reclamation and drainage, so that new and fertile soil was added to the limited acreage of the country. Two major developments determine the pattern of the seventeenth century. The Netherlands' position as at first the greatest maritime and trading power in the world brought unprecedented prosperity and a great surge in cultural and intellectual life, which made the Netherlands of those days in many respects the leading power of Europe and which caused this century to go down in history as the country's 'Golden Age'. On the other hand this position naturally constituted a challenge, as a result of which the Netherlands came into conflict with the rising England, the prize being hegemony of the oceans.

Whilst the colonial empire of the Netherlands was being built up by an association of merchants, the United East India Company, and the voyages of discovery were being continued (after the Australian coasts had already been explored by Dutchmen, Abel Tasman discovered Tasmania and New Zealand in 1642), arts and sciences flourished in the Low Countries themselves as never before. Rembrandt, the master of chiaroscuro, won world fame for all time, and also such painters as Frans Hals, Jan Steen and Johannes Vermeer of Delft contributed towards the fame of Dutch painting as it found expression in the Dutch School. Hugo de Groot (Grotius), a truly universal genius and one of the founders of international law, wrote his famous

legal works, *De Jure Belli ac Pacis* and *Mare Liberum*. Christiaan Huygens, one of the greatest scientists of all times, performed pioneering theoretical work with his wave theory and made numerous discoveries, including the pendulum clock. The names of Leeuwenhoek and Swammerdam are closely bound up with what up to then had been the unseen; they constructed microscopes and discovered unicellular organisms. The ethics of the philosopher Spinoza are still of importance for spiritual life. The spirit of tolerance which characterized the citizens' republic of the seven united provinces attracted many who devoted themselves for short or long periods to art and science in the Netherlands. Locke, the great British liberal constitutional philosopher, worked there for many years and the Frenchman René Descartes, founder of modern philosophy, produced his life's work in the Netherlands. The great thinker and pedagogue Comenius lies buried in the Netherlands.

The conflict with England, much of which was fought out at sea, began only a few years after the Treaty of Münster (1648) – in which Spain and Europe were forced to recognize the Netherlands as an independent nation – and lasted for more than a century. In four wars the Netherlands defended itself gallantly against superior forces.

In 1672, the year of disaster, the Netherlands, with not even two million inhabitants, faced a coalition of England, France (the great France of Louis XIV, the Roi Soleil) and the German rulers of Münster and Cologne, representing a total population of many millions. Although the Netherlands, under the able leadership of Stadhouder William III, still managed to hold its ground this time, the country was finally compelled at the beginning of the eighteenth century to recognize the supremacy of England at sea and of France on the continent of Europe.

After the tremendous efforts of the Golden Age, reaction was practically inevitable. In the eighteenth century the wealth which had been obtained was carefully managed. The part of the Netherlands in world politics had ended. But the Amsterdam Stock Exchange was still an economic centre of world importance. And, although spiritual life never again reached the unprecedented heights of the previous century, the universities of the Netherlands remained an intellectual force in Europe and attracted

many foreigners. Trade declined, however, and was considerably hampered by the fourth and last war with England (1780-1784), caused by Dutch support of the American War of Independence. Politics were still dominated by a body whose remarkable pattern had already come into being during the Eighty Years' War, the States-General, consisting of representatives of the various provinces, and ultimately based on the power of the urban citizenry. The States-General possessed sovereign power, whilst the Stadholders of the Orange dynasty were at the same time military leaders and symbols of national unity. In the course of the eighteenth century the stress came to be laid more and more on the regents, i.e. the leaders of the merchant class.

The eighteenth century ended in inglorious fashion for the Netherlands. In 1795 the French revolutionary troops entered the country across the frozen rivers and founded the 'Batavian Republic', which had to give way in 1806 to the Napoleonic 'Kingdom of Holland'. This was followed in 1810 by the incorporation of the Netherlands in France by Emperor Napoleon. Stadholder William V and his family had meanwhile fled to England. After Napoleon's armies had been defeated at the Battle of the Nations (Leipzig, October 1813), the Netherlands resumed its independent existence. It now became a kingdom, with the Orange dynasty at the head. For a short time what is now a failure. In 1830 the Belgians broke away to found a separate state, a fact which was accepted by the Dutch in 1839.

In 1848 the Netherlands was given a liberal constitution embodying ministerial responsibility, thus rendering possible the development of the Netherlands into a parliamentary democracy at an early date. The basis of this parliamentary democracy was widened in 1917, when universal suffrage for men was introduced, followed in 1919 by the vote for women. For centuries the influence of the people had made itself felt in the Netherlands, though at first it had naturally been confined to the leading strata of society, particularly the merchant class. As a result of the gradual extension of the suffrage this influence was now exercised by all the citizens of the Kingdom. In international politics the Netherlands remained scrupulously neutral during the whole of the nineteenth century and up to the Second World War in this century. Meanwhile the domestic economy, which had suffered severely during the period of French domination, was built up again. Industrialization, which had commenced early in the nineteenth century, began to be of real importance after 1870. The Netherlands, long a country of farmers, seafarers and merchants, now became an industrial power, too. This industrialization was backed by increasing technical know-how, which in its turn was stimulated by the revival of the exact sciences in the Netherlands. No less than nine Dutch scientists won Nobel prizes for their achievements in this field.

And whilst the development of technical knowledge made industrialization possible, the growth of population made it necessary. In 1850 the Netherlands had hardly three million inhabitants, in 1950, despite emigration on a fairly large scale, more than ten million. It will be clear that, however intensively farming might be carried on on the fertile clayey soils of the Netherlands, there would not be room in the not too large delta area of the Low Countries for ten million farmers, seamen and fishermen. Only extensive industrialization could provide work for such a dense population and help to ensure them a steadily rising standard of living. On the other hand it must be admitted that the rapid progress made by industrialization was possible only because so much labour became available. Nowadays twice as many persons are employed in industry as in farming.

The Netherlands is still an important commercial country, not only through the export of its own products but also owing to the considerable part played by Dutch commercial houses in international triarteral and transit trade.

Beside Frisian pedigree cattle, the world-famous flower bulbs, Dutch dairy produce and seed potatoes there now appeared the products of Dutch industry, among which shipbuilding and textiles, two of the oldest industries of the Netherlands, occupying an honorable place.

The struggle against the water was continued by the reclamation of the Zuyder Zee, which covered an area of 1,400 square miles. This step was decided upon in 1918. Modern industrialization conjured up its necessary complement, the labour movement, which was organized in the last decades of the nineteenth century on the model of the English trade unions, although in those days Dutch socialism was greatly under the influence of the German theorists.

In the administration of the colonies the foundation was already laid in the second half of the nineteenth century for what was known as the 'ethical policy', which postulated the good of the colony and the education of the native population to ultimate independence instead of the exploitation of colonial natural resources. This same policy is being followed today in Netherlands New Guinea.

After the Second World War the possessions in Indonesia were given independence, in agreement with the mother country, as the Republic of Indonesia. Discussions with the territories in the Western Hemisphere, Surinam and the Netherlands Antilles, established a new relationship between these territories and the Netherlands; they are now completely independent as regards their domestic affairs.

The present kingdom, which includes both the Low Countries by the sea and the territories in other parts of the world, is confidently helping to build up and defend the Atlantic community. In Europe the Netherlands is an advocate of close co-operation and of a real integration, which would have to cover both economic and political life.

The Dutch are a people of farmers attached to their land won from the sea, of sea-

traders and merchants, accustomed to visiting the four corners of the world and to taking the whole world into account, living at a crossroads of civilizations and economics of old Europe; they are proud of their own traditions and ready to defend their own age-old freedom and convinced supporters of an international legal order without which there is no future for the world and certainly for their country, which is so closely linked to every other country on earth; and they are convinced that even now they can contribute something to the good of the world in the economic, political and cultural fields.

Introduction

Cooperation between the Netherlands, Belgium and Luxembourg is not new. In the period between the two World Wars – to consider the most recent past only – the three countries were already taking a common stand during various international economic conferences. In many cases they jointly advocated a lessening of the obstacles which stood in the way of wider development of international trade. Even in those years the cry was heard from various quarters for a more permanent economic collaboration between the three countries. Attempts in that direction, however, did not yield any practical and lasting results.

When the Governments of the Netherlands, Belgium and Luxembourg languished in exile during the last war, they worked closely together. This joint consultation resulted in a strong sense of solidarity and a growing conviction that new economic collaboration between the three countries after the war would be indispensable to the restoration of prosperity.

On 5 September, 1944, the three countries signed a Customs Agreement, i.e. the Netherlands, Belgium and Luxembourg decided no longer to levy import duties on the products which they would import from one another and, moreover, a common tariff of import duties was to apply in the three countries to goods imported from abroad.

This was the first step along the path to the ultimate goal of Benelux: the formation of an economic union in which the movement of persons and goods, the performance of services and the movement of capital between the three countries would be free not only from import duties but also from other handicaps, so that the countries would form an economic unit, also in their relations with other countries. This final stage was reached on 3 February, 1958, when the Convention for the institution of the Economic Union was signed. The signature of this Union Convention formed the climax of a process of development in which the most important elements of an economic union were gradually realized in practice.

History of the Benelux

It was the intention of the three governments in exile to implement the 1944 Customs Union Convention immediately after the war by instituting a common tariff of customs duties vis-à-vis other countries and proceeding to abolish import duties relating to trade between the three countries. However, the considerable difference in the economic position of the three countries as a result of the war prevented this plan from coming into effect.

In order to reduce to the minimum any further delay in the implementation of the provisions of the 1944 Customs Agreement, the first Conference of Benelux Ministers was held at The Hague on 17 and 18 April, 1946, and in the course of the years this was followed by other such conferences. Concrete functions were given during these conferences to the Councils instituted by the Customs Agreement, viz. the Council for Customs Regulation, the Council for Trade Agreements and the Council for the Economic Union.

1 January, 1948: the Customs Union comes into force

The necessary revision of the tariff drawn up during the war in London demanded more study and time than had been expected at first. On 1 January, 1948, it was possible for the London Customs Agreement, adapted to the changed circumstances, to come into effect. Since then no import duties have been levied in trade within Benelux, and a common tariff has been applied to goods imported from outside countries. Meanwhile the secretariat-general of the Councils of the Customs Agreement at Brussels had already begun work at Brussels.

The private sector was also active in the sphere of cooperation. A Committee of Belgian, Dutch and Luxembourg Cooperation was set up; by its work this Committee has contributed towards the creation of the desired atmosphere of cooperation, for instance in the cultural field.

1 July, 1949: the Pre-Union Agreement comes into force

An important milestone on the path to the common market was the realization of the Pre-Union Agreement during the Conference of Ministers held in Luxembourg in October 1949. This agreement provided for a gradual liberalization of trade between the partner-countries, and came into effect with retroactive force on 1 July, 1949. This foundation of the Pre-Union as the portal of the complete Economic Union had become possible partly as a result of the improved economic conditions. On the basis of the Pre-Union Agreement trade between the three countries has been practically freed from quantitative restrictions in the course of the years, except for special regulations relating to agricultural produce. At present 96,5% of the intra-Benelux trade is liberalized. The three countries have engaged to depart from this liberalization of intra-Benelux trade only after joint consultation.

By the Convention of 18 February, 1950, it was also decided to unify excise duties and assay duty, as a result of which countervailing duties levied at the frontiers are abolished. Since then various excise duties have been abolished or have been unified.

For a short time after the Korean crisis of 1950/51 a breach threatened to occur in the process of the closer economic amalgamation of the Benelux countries. As a reaction to this Korean crisis Belgian exports in 1952 declined considerably, and

partly as a result of this certain branches of industry in Belgium found themselves in serious difficulties. On the other hand, exports from the Netherlands, whose recovery was now complete, continued to rise, particularly those to Belgium. The result of all this was that a number of Belgian industries felt their existence threatened by Dutch imports.

24 July, 1953: Protocol on the coordination of economic and social policy

The common determination of the three governments not to allow past gains to be lost conquered these difficulties, too. The protocol which came into force on 24 July, 1953, on the coordination of the economic and social policy concluded this period. This protocol provides for the coordination of economic and social policy in the three countries, which will be directed towards achieving and maintaining a satisfactory level of employment and the highest possible standard of living, whilst maintaining the balance of payments. Within this coordinated universal economic policy endeavours will be made to achieve a common wage level and rent policy in the three countries, though it was explicitly laid down that such adjustments may not conflict with free trade and the attendant free competition between the three countries. To prevent certain branches of industry getting into serious difficulties (as a result of competition from the partner-countries) during the process of adjustment which accompanies the creation of the common Benelux market, this protocol contains a clause which makes it possible, after joint consultation, to deviate temporarily in such special cases from the principle of free trade and competition between the three countries.

9 December, 1953: Protocol on a common commercial policy

In the same year, on 9 December, 1953, followed the signature of the protocol regarding the common commercial policy. It is necessary to follow a common commercial policy, since in the Economic Union not only must the circulation of national goods on the common market be possible (as proceeds for Benelux from the Pre-Union Agreement); the goods imported from other countries must also be able to circulate freely in the partner-countries. The freedom of trade in imported products is of course partly dependent on coordination of the import and export regulations of the three countries, since otherwise commerce would be inclined to route its goods via the partner-country with the least stringent provisions, which would lead to undesirable shifts in economic balance. This coordination is particularly concerned with quotas.

The above protocol provides for a common commercial policy - which also includes the conclusion of common trade agreements with outside countries - and must come into effect by 1 January, 1959.

Free imports and exports

Within the framework of this common commercial policy joint lists were drawn up of products from OEEC and GATT countries, and from the dollar area, which can be imported into Benelux without quantitative restrictions. A corresponding list was drawn up relating to exports to those countries. This means that as far as free imports and exports are concerned, a common Benelux system has already been realized. On 20 January, 1956, the Council of the OEEC recognized Benelux as a unit from the point of view of commercial policy.

Imports and exports subject to quotas

The protocol of 9 December, 1953, prescribes that a common system must be introduced for imports and exports subject to quotas, too. For those products which cannot yet be freely dealt in within Benelux, it is laid down that separate quotas will be fixed for the Netherlands and for the Belgium-Luxembourg Economic Union (BLEU).

Common trade agreements with other countries

According to the above protocol, common trade agreements will at the same time be concluded with other countries. These agreements will regulate trade between Benelux and outside countries as far as the quoted sector is concerned. In principle a common agreement with an outside country will be concluded when the current bilateral agreements between the outside country and each of the Benelux countries expire. On 28 December, 1956, the first common Benelux trade agreement was signed, viz. with Denmark. Then, in the course of 1957, a further number of common agreements were concluded, such as those with Portugal, Sweden, Austria, Norway, Switzerland and Great Britain.

The negotiations are conducted by one Benelux delegation. The Chairman, an official from one of the countries, receives his instructions from the Benelux Committee of Ministers and reports to that Committee. During the negotiations the Chairman is the spokesman of the delegation, whilst he also initials the agreement arrived at.

Movement of capital

In 1954 the movement of capital within Benelux was considerably liberalized by the agreement of 8 July. This protocol lays down that the capital invested in the Netherlands by residents of BLEU and the capital invested in BLEU by Netherlands residents can be converted into cash and dealt in between residents of the three countries. Residents of the three countries can transfer their capital from the Netherlands to BLEU and from BLEU to the Netherlands. Residents of the three countries

can invest their capital in each of these countries in any form whatsoever, and can replace a certain investment by another. Transactions in stocks and shares will have to relate to those issued by Dutch, Belgian, Belgian Congo or Luxembourg public and private corporate bodies and which are issued in Netherlands guilders or in Belgian, Belgian Congo or Luxembourg francs.

3 May, 1955: Protocol on the harmonization of agricultural policy

The questions concerning agriculture and everything connected with it have had a special nature in Benelux right from the start. This is the result of historical differences between the agricultural industry in the three countries. Farming in the Netherlands is to a considerable extent directed towards markets abroad, whilst Belgian and Luxembourg agriculture is mainly concerned with satisfaction of the domestic demand. As a result of this, sometimes considerable differences in cost price occur between Dutch farming on the one hand and Belgian/Luxembourg agriculture on the other, and this handicaps the achievement of free frontiers within Benelux. In order to be able in the future to open the frontiers between the three countries to all agricultural produce as well, it was decided in 1955 that farming policy would be gradually harmonized. Under this agricultural coordination decision the existing restrictions arising from the agricultural protocols concluded in 1947 and 1950 will have to be abolished within a period of seven years.

Migration of labour

In anticipation of the commencement of the labour convention of 7 June, 1955, which comes into force at the same time as the Union Convention, the common labour market has, under the Interim Regulations of April 1957, been realized a considerable extent as far as wage-earners are concerned. The protocol contains regulations laying down that a worker from BLEU who finds employment in the Netherlands will be able to work under the same conditions of employment (including social provisions) as the Dutch worker, and vice versa. Furthermore, in the course of time a number of special arrangements have been made, such as those concerning reciprocal national treatment in the contracting works.

The Economic Union

The Economic Union between the three countries had already been realized practice to a very considerable extent by the arrangements which had come into effect. The economies of the three countries had already been interwoven to a high degree. It had become less and less possible to abandon the cooperation which had been achieved without this harming the whole, or the prosperity of each of the partners. The results achieved by cooperation in the past therefore offered a sufficient basis for establishing the Economic Union by convention.

In the spring of 1957 agreement was almost reached on the Union Convention in two meetings of the Committee of Ministers. On 17 September, 1957, it was possible to have it initialled in New York. Before signing the convention, the governments submitted the text of the draft convention to the Interparliamentary Benelux Council. This Council discussed the Convention at a meeting on 22 and 23 November, 1957, and suggested a number of amplifications. There were no further obstacles in the way of signature of the Convention, which, by its lengthy currency of 50 years and its many constructive aspects, offers further prospects for a completion of the integration of the Benelux economy.

The Convention for the foundation of the Economic Union

The Convention for the foundation of the Economic Union is in the first place a codification of the arrangements which have already come into being in the past. It further forms a firm basis on which to build the rest of Benelux. The convention lists the following goals of the Economic Union:

- a. the free movement of persons and goods, the performance of services and the movement of capital between the three countries;
- b. the coordination of the internal economic policy;
- c. the following of a common commercial policy vis-à-vis outside countries.

a. Free frontiers within Benelux

The Convention lays down that there will be free frontiers inside Benelux for goods, services, capital and labour. At the same time one of the provisions is that free trade between the three countries may not be handicapped by national measures which are of another nature than financial or economic. This refers in particular to non-economic and non-financial handicaps to free movement across the frontiers, such as import bans instituted with a view to protecting public health or public morality. This provision also has reference to legal regulations which are only operative inside the country in question and yet, without hampering frontier-crossing, form an obstacle to free trade, such as quantitative regulations and the like. Checks at the common internal frontier or statistical observations do not form a handicap within the meaning of the Convention. Since the conditions of competition between the three countries might disturb free trade within Benelux, the Convention lays down that misrepresentation of the conditions of competition is to be avoided.

b. Coordination of economic, financial and social policy

The Convention also provides for the coordination of economic, financial and social policy, with the aim of creating the conditions required for the economic integration of the Benelux area.

c. Coordinated and joint dealings with outside countries

As far as foreign economic policy is concerned, the Convention lays down that there shall be prior consultation between the three countries to determine the attitude to be adopted within the framework of international institutions and of regional economic integration, or in relations with outside countries, insofar as these matters concern the aims of the Union.

At the same time arrangements have been made for a common policy regarding the movement of goods and money, as a result of which goods coming from outside countries can also circulate freely.

As regards tariffs and other duties, it has been laid down that goods coming from or intended for outside countries are subject to a common tariff of duties when imported, exported or in transit. The system of issuing permits and fixing quotas is also a common one. Furthermore, coordinated action is to be taken with regard to all other regulations in the field of imports, exports and transit.

Monetary regulations

Since the Benelux Economic Union does not incorporate a monetary union, monetary regulations have been included which are essential if the Economic Union is to work properly. For instance, the governments will determine in joint consultation their policy with regard to rates of exchange. When the vital interests of a partner-country are endangered, the Committee of Ministers can decide on measures which are at variance with the provisions of the Convention.

The institutions of the Union

There are eight institutions, viz.:

1. the Committee of Ministers;
2. the Advisory Interparliamentary Council;
3. the Council of the Economic Union;
4. the Committees and the Special Committees;
5. the Secretariat-General;
6. the Common Services;
7. the Board of Arbitrators;
8. the Economic and Social Advisory Council.

The Committee of Ministers (1)

The Committee of Ministers, in which the governments of the three countries are each represented by three members, is the supreme authority of the Economic Union. It attends to the application of the Union Convention and takes the measures required for this. For the implementation of this task the Committee of Ministers is empowered to make decisions which must be unanimous and which are binding on the

three governments. It gives directions to the bodies functioning under it, and also maintains contact with the Advisory Interparliamentary Council.

The Advisory Interparliamentary Council (2)

The Interparliamentary Benelux Council consists of 49 members, 21 of whom are elected from and designated by the Belgian Parliament, 21 elected from and designated by the Netherlands Parliament and 7 elected from and designated by the Luxembourg Parliament.

The Council is empowered to deliberate and advise the three governments with regard to problems connected with:

- a. the realization and the operation of an economic union between the three states;
- b. the cultural rapprochement between the three states;
- c. the cooperation between the three states;
- d. the unification of the law of the three states.

Moreover, the Council can deliberate and advise on other problems of common interest.

Council of the Economic Union, Committees and Special Committees (3 and 4)

Under the Committee of Ministers comes in the first place the Council of the Economic Union, which coordinates the other institutions. It consists of three chairmen appointed by the respective governments and of representatives of the Committees, also appointed by the governments.

There are seven Committees, which jointly cover the normal field of operations of the Union, whilst five Special Committees are charged with a number of specific functions. These Committees have a threefold task: besides the right of initiation, i.e. the making of proposals, they have an executive and a supervisory function with regard to the implementation of the orders of the national governments.

Other institutions (5, 6 and 7)

The *Secretariat-General* of the Economic Union, which is responsible for the normal secretariat work of the Committee of Ministers and of the other institutions, is established at Brussels and is under the direction of a Dutchman.

If required, the Convention empowers the Committee of Ministers to institute *Common Services*. Disputes between the signatories of the Convention with regard to the application of the Union Convention are to be settled by a *Board of Arbitrators*. For each dispute every country appoints a national arbitrator and a deputy national arbitrator.

Economic and Social Advisory Council (8)

The Union Convention also covers the institution of an Economic and Social Advisory Council. This Council, the members of which are appointed by the governments of the three countries in consultation with the economic and social industrial organizations, is empowered to give its advice, either at the request of the Committee of Ministers or of its own volition, on problems which are directly concerned with the working of the Economic Union.

The application of the Convention is confined to the territories in Europe of these signatories. As regards the common commercial policy, however, the Convention renders it possible to incorporate the interests of the overseas territories in trade agreements to be concluded with outside countries. The Convention has a currency of fifty years, with tacit renewal for periods of ten years, unless one of the parties expresses the wish to terminate the Convention one year before the current period lapses.

Transitional agreement

Finally, the Convention contains transitional arrangements which render possible temporary deviations from the principle of the common market. For instance, as a result of the great difference in economic structure of agriculture in the three countries, special arrangements have been made for this sector, which make free trade in agricultural produce within Benelux subject to certain conditions. These arrangements are to be regarded as a transitional measure leading to the ultimate harmonization of the farming policy of the three countries which, under the provisions of the Transitional Agreement, must have come about within a period of five years (in other words, by 1962).

With regard to transport a provision has been made to the effect that the quantitative restrictions to which goods transport and unscheduled road passenger service between the three countries are subject are to be abolished within a period of no longer than three years.

The deviations provided for by the Transitional Agreement will be examined annually by the Committee of Ministers in order that they may decide whether the deviation can be abolished.

If the need arises, the Committee of Ministers can extend the transitional period laid down by two years.

Results

The close economic cooperation which has developed as outlined above has substantially stimulated economic development in the three countries. An important

aspect of this cooperation is formed by the development of trade between the three countries.

This development shows that the part played by each of the three countries in the imports of the remaining two has gradually increased.

The share of BLEU in Dutch imports increased from almost 12 % in 1938 to almost 19 % in 1957. Conversely, the Netherlands' share in imports into BLEU rose from 7 % in 1938 to 14 % in 1957.

Partly as a result of this liberalization of intra-Benelux trade, which furthers better utilization of the resources of the three countries, the national income of both the Netherlands and Belgium has increased. The Belgian national income at constant prices had increased in 1956 by about 50 % over the 1938 figure; in the Netherlands the rise was some 70 %. As a result of the free frontiers within Benelux a new economic structure is now growing, which is definitely not yet perfect, for instance because in numerous respects national economic life in its varied aspects has already adapted itself to free Benelux trade.

The increase in prosperity in Benelux has in the meantime also stimulated trade with other countries. This finds expression in the fact that the rise in national income has been accompanied by an increase in the volume of imports which is greater, the figures being 65 % and 85 % respectively. It thus emerges that this closer cooperation between the Benelux countries has in no way been at the cost of trade with outside countries. Nor was this ever the intention. The common commercial policy which is now being further developed is partly directed towards a further liberalization of international trade. Besides the importance of this policy for internal trade – insofar as it renders possible the liberalization of trade within Benelux in products from outside countries – the great importance of a common commercial policy lies in this expansion of trade with other countries. As fourth commercial power in the world Benelux can further and support this liberalization of international trade with all the more vigour. The Benelux countries continue to be aware that, as before, their economic development depends to a considerable and increasing extent on the development of contacts with other countries, both inside and outside Western Europe.

THE NETHERLANDS IN INTERNATIONAL POLITICS

Position

The Netherlands' position in international politics right from the achievement of independence – that is to say from the birth of the national state – has been almost continuously characterized by the endeavour to *retain what has been acquired*. As A. A. H. Struyken, a member of the Council of State, once described it: 'The long war of liberation, crowned by the Peace of Westphalia, had brought the Netherlands all that it desired in the way of territory. Our forefathers never endeavoured further to extend the frontiers of our country'. Consequently, Struyken speaks of a 'satisfied people'. At an earlier date Van Hamel characterized Dutch international policy as a 'policy of protection as reserved as it is purposeful', and also De Leeuw ('The foreign policy of this Kingdom (of the Netherlands) was in the first place a policy of a 'settled state'') and Kranenburg ('Was thus the function of our foreign policy solely to preserve our existence? Indeed, it was') expressed similar views later.

Throughout the centuries the Netherlands has proved to have the greatest interest in a *balance of power* in Europe, an interest which now, in the middle of the turbulent twentieth century, when the balance of power in Europe has become part of a precarious world balance of power, has led us to participate in coalitions which are trying to maintain that equilibrium in our shrinking world.

At the start of this century in particular the opinion was often stated that, with the same inevitability with which the first fundamental of Netherlands foreign policy – retention of the separate existence which the Dutch people have won for themselves – resulted in the Netherlands' interest in the balance of power being maintained, there followed from the latter the need for the Netherlands to remain neutral with regard to the surrounding states. But neutrality postulates that there is a balance of power – without the Netherlands – and at the same time that the great powers are ready to respect that neutrality. Needless to say, neither condition will be satisfied for a long time yet.

Therefore, whilst neutrality may, in favourable circumstances, be the correct policy for maintaining the country's independence, it is certainly not one of the immutable principles of our foreign policy, as a glance at the history of the Netherlands shows. An example of the attachment to neutrality which was felt at the time by many in the Netherlands may be found in the excellent brochure by Struyken which has already been quoted. He argues that it follows on the one hand from our interest in the preservation of the political balance of power and on the other hand from the view that 'now that the power has gone, so has the time to play a leading role in the arena of high politics' that 'the Dutch people are left with no other policy than

that of standing aside and remaining neutral'. As if proper personal motives could not induce us to play a role, even if it is no longer possible to take charge of events.

Struyken's argument had in fact already been refuted beforehand by the statement made by the Minister of Foreign Affairs, de Marees van Swinderen, in the Second Chamber in 1908: 'although the Netherlands can no longer play first violin in the Concert of Europe, we must constantly realize that the smaller instruments, if well-tuned and well-played, can also make an indispensable contribution to the harmonious effect of the whole'.

Struycken's conception of the possibility of the Netherlands standing aloof from a conflict between the great powers, which Kranenburg indignantly countered in 1949 – after the Second World War – by saying that 'the neutrality policy . . . (was) of pharisaical origin', clearly belongs to the 'pre-ideological age', when total wars with the total destruction of a body politic and social order did not as yet threaten, the only aim being the furtherance of certain interests.

It may be mentioned en passant that Dutch neutrality was a policy and not the result of ethical considerations – in contrast to what is usually so quickly asserted by neutrals – or a question of law, but an exclusively political matter, ultimately at the discretion of the great powers and, finally, that in contrast to Belgian neutrality after 1839, it was not based on international law but was at the Netherlands' own choice. Of course, this choice was not so much based on the country's own power but on the balance of power of the great powers, and so depended on the latter. As early as 1936 De Leeuw warned: 'actual circumstances themselves are busy making this neutrality a hollow thing'.

If the broad outlines of Netherlands foreign policy are considered with regard to this aspect, after the Eighty Years' War a balance of power policy is initially encountered, an active effort to prevent one power from dominating the Continent.

Van Hamel very neatly characterizes this 'policy of equilibrium' of William the Silent and Oldebarneveldt, among others, as 'freedom through resistance to superior forces and through a balanced relationship between the adjacent powers'.

From this theory the King/Stadholder then developed his European coalition policy. Not until the eighteenth century – to be more precise, after 1713 – does Netherlands foreign policy decline to one of neutrality which ultimately, partly as a result of the internal weakness of the Republic and of the violence which the French Revolution (a European event!) unleashed, was to lead to the loss of Netherlands' independence. From 1839 to 1940 another century of neutrality policy followed under various names (Van Karnebeek, a Foreign Minister, spoke of 'a policy of independence') and with different nuances (the League of Nations induced us in 1936 partially to abandon neutrality in favour of international obligations). After the war 'the policy of independence in the modern sense' (Stikker) heralded another period of active foreign

policy, in which the Netherlands is trying to protect its independence against the threat from the East by joining organizations of allies.

The only really constant aspect proves to be the endeavour to achieve the equilibrium which must guarantee our national integrity; the means towards this balance of power vary.

A second constant factor in our foreign policy is the nature of the Netherlands as a seafaring power and commercial country *par excellence*. As Van Hamel says: 'The explanation is to be found in geography'. This delta region of the great European rivers, the Rhine, the Meuse and the Scheldt, with its highly developed coastline and the splendid ports, this flat country, accessible to traffic from all sides, at the crossroads of what were formerly called 'the Germanic, the Roman and the Anglo-Saxon nationalities', had already developed into a centre of commerce and shipping in the Burgundian period, if not before. The Netherlands' days as a colonial power, arising from the combination of trade with and shipping to the Far East, are over; its position as a country which, to a greater degree than any other modern Western state, is dependent on commerce and shipping, continues to help to determine its foreign policy, on the other hand. Hence the importance, for instance, which the Netherlands Government attaches to economic integration, to the creation of one big European market, to the question of the unification of Europe.

Just as the efforts to maintain our independence led to our intense interest in political equilibrium in Europe and ultimately in the whole world, so the latter and our great interest in free trade and shipping have together created a great devotion to the development of *international law*. To quote Van Hamel again: 'One need not be an expert in historical materialism to recognize an intimate connection and reaction between the economic interests of a people and their ethical ideas. A people who have no desire to extend their territory, whose existence depends on overseas trade, whose interests are thus wholly served by peace, such a people form by their nature a fertile soil for the growth and the development of ethical ideas directed towards the maintenance of world peace.' And elsewhere: 'Our means of subsistence are the same as in olden days: freedom of trade and shipping is the vital pre-requisite therefor. Everything which can further well-ordered, peaceful intercourse between nations increases the vitality of the Dutch people; every rule of law imposed on the comity of nations is a real asset'.

De Leeuw, too, speaks of our 'great attachment to pacifism and international law', but he traces this back solely to the desire to retain what has been acquired.

In 1945 Schmidt, listing the main aspects of an active foreign policy, which his book advocates, gives second place to 'helping to bring about and maintain a just and lasting peace' (the formulation is redolent of the atmosphere of 1945!), immediately after the classic 'maintenance of our independent existence'.

All in all there is no doubt that the furtherance of an international legal order, both

on ideological grounds and for the sake of very real interests, is one of the permanent fundamentals of Dutch foreign policy.

Now that, after nineteenth-century liberalism with its doctrine of *laissez-faire*, in this century the function of the state in preserving and promoting prosperity has come very much to the fore, material and spiritual enrichment must be mentioned as one of the fundamental aims of Dutch foreign policy.

Insofar as the concrete measures to strengthen the country's economic position within the present comity of nations are concerned, these could in many cases be regarded as a consequence of the recognition by the Government that the Netherlands is a commercial and seafaring country to a very real degree - which brings us back to a familiar postulate. However, with respect to spiritual welfare, to the preservation and extension of Western culture founded on Christianity, as it may be formulated, we are back again at the sombre start of the second half of the twentieth century, with the threat from the East and the resulting realization that our civilization must once again be defended both by weapons in the hand and with the mind, as it once had to be defended against Moors, Tartars and Turks. A noteworthy point is how the latter connection finds expression in the cultural clauses of the Brussels Treaty and the North Atlantic Treaty.

If, after this survey of the main fundamentals of the foreign policy of the Netherlands, we now consider the factors which determine the effect of the policy followed by the Government, we must in the first place mention *power*. Just as the policy of neutrality, although on the one hand dependent on the passive consent of the great powers, on the other hand was backed up by power, in particular military power, which the Netherlands was able and ready to use to protect this policy (which weakened the policy proportionally as Dutch power declined, as the history of the eighteenth century shows), so, conversely, the country's present policy of self-preservation by contracting alliances will be all the stronger according as it contributes greater power to the alliance.

However, as Mr Beyen, a former Minister of Foreign Affairs, once said: 'Physical strength is not the only decisive factor in the life of nations'.

The skill of statesmen and diplomats is a force of great significance for the effect of the policy in these days of what De Block described as the 'very cold peace'. And the specific skill of statesmen and officials is backed up in the implementation of Netherlands policy by the general reputation for skill which the Netherlands has acquired abroad as a result of the achievements of its businessmen, farmers, industrialists, hydraulic engineers, seamen, tropical experts and other men of various sciences.

Finally, the effect of the policy also depends in part, of course, on the definition of that policy (in its turn dependent to a considerable extent on the specific skill mentioned above) and on the continuity of that policy. From that point of view the support

which the Netherlands national legal order

Policy

If, after the above we now briefly consider the Netherlands be international coexistence of Nations, since these days in the world difficult one - and international law. We have some influence intervening construction. In this respect the strict compliance with known article 2, section of member-countries of Nations, will greatly and the fundamental of the Charter, to Now that the members Government is of Economic and Social Admission of the as there are such Nations.

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Policy

If, after the above outline of the position of the Netherlands in international politics, we now briefly consider Dutch foreign policy, the first feature to strike us is that the Netherlands believes that it can best contribute to the furtherance of peaceful international coexistence by continuing to participate in the activities of the United Nations, since this organization is the embodiment of what has been built up in these days in the way of international legal order - a task which has often been a difficult one - and because it champions the preservation and consolidation of international law. Although a minor power, the Netherlands feels that it can still have some influence on events in the United Nations and its specialized agencies by intervening constructively in debates at the right moment.

In this respect the Netherlands allows itself to be guided by the conviction that strict compliance with the provisions of the Charter, and in particular with the well-known article 2, section 7, in which subjects which lie within the national jurisdiction of member-countries are explicitly placed outside the competency of the United Nations, will greatly facilitate matters. However, observance of the rights of man and the fundamental freedoms are considered, on the ground of articles 55 and 56 of the Charter, to come within the sphere of the United Nations.

Now that the membership of the United Nations has risen to 81, the Netherlands Government is of the opinion that an extension of the Security Council and of the Economic and Social Council would be justified.

Admission of the Chinese People's Republic is not considered opportune as long as there are such radical differences of opinion on the matter within the United Nations.

There are several matters which particularly concern the Netherlands within the scope of the United Nations. In the first place there is the New Guinea question. The Dutch point of view that Netherlands New Guinea comes under the sovereignty of the Netherlands is maintained. The Government is striving to bring about the gradual emancipation of this area; the political and financial obligations resulting from this are fully accepted.

Aid to underdeveloped countries must be vigorously continued, for the development of economically backward countries is an urgent problem. The Netherlands Government wishes a special fund of the United Nations (SUNFED) to be created to finance the economic and social infrastructure of underdeveloped countries. As regards economic assistance to Southern and South-East Europe, the ECE countries have expressed their willingness to contribute towards the economic development

of the countries concerned (Greece, Italy, Turkey and Yugoslavia), after the latter have put forward concrete proposals.

As far as armament cuts are concerned, the Government's attitude is that these can only take place if the security of the West and of the entire free world is not endangered as a result. The Government hopes that disarmament talks will lead to a reduction of nuclear weapons tests, too.

The differences and the pending issues between East and West continue to demand attention both inside and outside the United Nations. The second Geneva Conference (July 1954) displayed a remarkable rift in the 'thaw policy' of the Soviet Union, whose political aims have not changed. Russian policy in the Middle East and the intervention in the satellite states demonstrate most clearly that the Communist rulers use every means, political, economic and violent, to maintain their empire and, if possible, to extend it. The Netherlands Government was deeply shocked by the dramatic course of events in which thousands of Hungarians made the supreme sacrifice in the struggle for liberty.

In the Middle East the unilateral Egyptian nationalization of the Suez Canal Company was gravely viewed by the Netherlands Government, which tried all it could in the early stages of the resultant conflict to help solve matters, for instance by participating in the two London Conferences. It considered cooperation between the powers concerned to be very necessary.

The Netherlands Government has always been kindly disposed towards the nationalism displayed by young countries; it objects only to excesses of this nationalism, which are all the more dangerous because they are systematically encouraged and supported by the Soviet Union and its satellites.

The second London Conference resulted in the plan to set up the Suez Canal Users' Association, which was joined by a number of countries representing about 90 % of the total shipping through the canal and including the Netherlands. After the military action undertaken by Israel and by the United Kingdom and France against Egypt a new situation arose, in which it became the task of the United Nations to find a satisfactory solution for the Suez Canal question.

The importance of Atlantic cooperation in the political sphere, too, for smaller states such as the Netherlands is becoming increasingly evident. The military objectives of the allies are clearly outlined. There is no immediate need for a supranational organization in this field. The increasing importance in non-military matters is to be welcomed, and the Netherlands Government intends to further the intensification and the extension of this cooperation. It plans to do this in the military field because it is of the opinion that the political and military situation in the world simply does not allow of the slightest relaxation in that respect, and in the non-military field because it is convinced that military cooperation without a considerable degree of coordination of foreign and economic policy between the member-states can never

be a sufficient answer. Atlantic parliament article 2 of the North Atlantic Treaty. The shift in accent on cooperation easier. world, and in part with the principles of and transfer of power since the Second World War. greater demands on lands Government in May 1956 to develop. The need for preparation and conception. The division of divisions on a world military authorities for a sufficiently strong Europe.

Cooperation in the Western European Union should be used as a Cultural and social being every attention the German Federal Republic effected under the European Council. With European cooperation where the third countries material welfare, Community and Netherlands Government people and to international which will lend new Europe also serve The Netherlands of integration. It is Euratom a very important The Netherlands Government to arrive at the Coal and Steel Community of the link between

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be a sufficient answer to the threats still facing the free peoples of the world. Regular Atlantic parliamentary consultation could certainly contribute towards concretizing article 2 of the North Atlantic Treaty.

The shift in accent of the cold war to the economic front has not made international cooperation easier. An economic cold war could force the countries of the free world, and in particular the members of the OEEC, to take measures at variance with the principles of liberalization and multilateralization of international commerce and transfer of payments which have contributed so much to economic recovery since the Second World War. Moreover, an economic offensive would make much greater demands on the internal political cohesion of the Atlantic world. The Netherlands Government therefore welcomed the decision of the North Atlantic Council in May 1956 to devote more attention to the political aspects of economic problems. The need for preparedness has come to the fore more clearly in the new military conception. The decision of the Netherlands Government to increase the number of divisions on a war footing from one to two at the recommendation of the NATO military authorities is in itself proof that the Government is fully aware of the need for a sufficiently strong shield of conventional forces for the defence of Western Europe.

Cooperation in the strictly European field in the military sense takes place in the Western European Union. It is the intention of the Government that this Union should be used as a forum for political consultation between the seven countries. Cultural and social integration is also being aimed at in this framework; for the time being every attention is being devoted to the incorporation of the new members, the German Federal Republic and Italy, in the agreements which have already been effected under the Brussels Pact.

With European cooperation in the political and economic field we come to a sphere where the third objective of Dutch foreign policy, the fostering of spiritual and material welfare, plays a great part. In Benelux, in the European Coal and Steel Community and in the Organization for European Economic Cooperation the Netherlands Government is endeavouring to increase the prosperity of the Dutch people and to intensify the collaboration between the nations of Western Europe, which will lend new strength to Western culture at the same time. The Council of Europe also serves this purpose.

The Netherlands Government will continue vigorously to foster the various forms of integration. It considers the simultaneous creation of a Common Market and of Euratom a very encouraging sign.

The Netherlands Government further welcomes the willingness of the British Government to arrive at a closer form of cooperation with the countries of the European Coal and Steel Community, not only for political reasons, namely the strengthening of the link between the United Kingdom and Western Europe, but also for economic

reasons, that is to say the creation of a free trade zone widens the area inside which trade is liberalized.

On 18 August, 1956, the Benelux Protocol concerning commercial policy came into effect. By two years from this date the joint commercial policy must have been realized. But the foundations for the conclusion of joint trade agreements with outside countries had already been laid prior to that date. At the end of 1956 a Benelux delegation conducted the first commercial negotiations with an outside country (Denmark).

The fact that in this brief and incomplete survey of foreign policy the fundamental aspects of the Netherlands' position in international politics listed above came to the fore again and again proves how very much the endeavour to preserve our independence, the desire to further international legal order and the wish to contribute to the spiritual and material welfare of our people - however abstract these wishes might perhaps sound - play a considerable part in defining Dutch policy with regard to the concrete problems of present-day international politics, and so raise this policy far above the level of an incidental passive one, giving it an individual, typically Dutch, aspect.

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'In the ever more closely integrated world of the twentieth century the prosperity of one country is inseparably bound up with the prosperity of practically all countries and the spiritual and material equilibrium prevailing there. In many underdeveloped countries that equilibrium is still disturbed to a considerable extent. Consequently the problem of the insufficiently developed greater part of the world must occupy a central position in the foreign policy of every country. This is certainly the case in the Netherlands'.

The above passage is quoted from the memorandum submitted by the Netherlands Minister of Foreign Affairs to the Second Chamber of the States-General with regard to aid to underdeveloped areas because it accurately reproduces the general sentiments of the Dutch people, who are accustomed to look beyond the frontiers of their own country and who realize that close bonds link them to other peoples all over the world.

When the opportunity arises, the Netherlands does all that it can to help develop other areas. It is not possible within this short scope to list all the activities displayed in this field by the authorities and by private enterprise. In this article we shall confine ourselves to what is known as international technical assistance, and in particular to the participation of the Netherlands in the Expanded Technical Assistance Programme of the United Nations and the specialized agencies.

In 1950 the United Nations decided to put into effect a programme of technical aid to underdeveloped countries, which was to be financed by voluntary contributions from other countries. The work began in June of that year. Besides the Technical Assistance Administration (TAA) of the United Nations, the specialized agencies such as the Food and Agriculture Organization (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labour Organization (ILO), and the World Health Organization (WHO) are each entrusted with the implementation of the programme in their field.

For the first financial period, 1950/51, 55 member-states collected for this programme on a voluntary basis 20 million dollars, the contribution of the Netherlands being 400,000 dollars. These sums have been increased every year. The figures for 1957 are 30.8 million dollars from 75 countries, 874,000 dollars of this coming from the Netherlands. This means that the Dutch contribution has increased from about 2 % of the total sum in 1951 to almost 3 in 1957.

International Technical Assistance covers a. the sending out of experts from countries with a high degree of development to underdeveloped ones; b. receiving fellows from underdeveloped areas in the more developed ones and c. furnishing material. In this

connection a fellow means someone who has received the highest education possible in his field in his country, and who occupies a leading position in that field in his own country.

Since, as mentioned above, the Netherlands takes international technical assistance very seriously, an interdepartmental committee was set up as soon as it became known that the United Nations was going to introduce a programme of aid. This was done because this work would overlap the fields of various ministries. At the same time a Bureau for International Technical Assistance was instituted at the Ministry of Foreign Affairs. This Bureau functions as a secretariat for the interdepartmental committee and is responsible for the practical implementation of the work in this sphere of technical assistance.

The following survey gives the total number of experts sent out under International Technical Assistance, together with the number of Dutch subjects participating, and the total number of fellows, together with the number studying or having studied in the Netherlands.

	Experts	of which Dutch subjects	Fellows	of which in the Netherlands
1950/'51	797	47	845	56
1952	1,626	105	2,127	165
1953	1,825	117	1,195	151
1954	1,584	97	1,529	151
1955	2,386	131	2,094	190
1956	2,463	139	2,291	205

Of the 139 experts of Dutch nationality in 1956, 17 were employed under the auspices of the TAA, the International Telecommunications Union and the World Meteorological Organization; 17 under the auspices of UNESCO; 62 for the FAO; 15 for the ILO; 18 for the World Health Organization and 10 for the International Civil Aviation Organization.

Bilateral assistance

Besides the International Technical Assistance scheme of the United Nations mention should be made of American Bilateral Assistance. Under this scheme the United States sends out at its own expense American experts and receives and trains fellows. However, it is being realized to an ever greater extent that it is desirable to call upon other countries for this, so that under the auspices of this programme the Netherlands also receives fellows and gives them training and advice. The Bureau for International Technical Assistance mentioned above has been appointed as the executive body from the Dutch side.

Thirdly, the Netherlands requests technical assistance from countries such as Iraq, the Sudan and others. These countries have appealed to the Netherlands for assistance. Under this bilateral programme, which was started in 1956, together with the United Nations, a total of 297 Dutch experts have been sent to countries in Africa, 59 in Asia, 10 in Latin America and 78 in the Middle East. The number of experts sent out under the International Technical Assistance programme is increasing. Fellows come to the Netherlands to study for periods of one to three years.

International Institutes

The implementation of the International Technical Assistance programme has given the Netherlands an impetus to the foundation of international institutes, specially intended for the training of experts. The Hague, the International Agricultural Institute, the International Institute for Small Countries and the International Institute for the Protection of the Environment is in the process of being founded. The creation of these institutes will contribute to the language on

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Thirdly, the Netherlands sometimes acts as an intermediary if a country individually requests technical assistance to carry out certain projects. For instance, such countries as Iraq, the Sudan, the countries on the West Coast of Africa, Turkey and Burma have appealed to the Netherlands Government in this respect. Under this bilateral scheme 142 Dutch experts were working in other countries in 1956, together with a further 16 under the auspices of other international organizations, so that, counting the International Technical Assistance Programme as well, a total of 297 Dutch experts were employed abroad in 1956. Of these, 88 were working in Africa, 59 in Asia and the Far East, 22 in Europe, 50 in Central and South America and 78 in the Middle East.

The number of fellows received in the Netherlands in 1956 totalled 271, viz. 205 under the International Technical Assistance Programme and 66 under other - bilateral - programmes.

Fellows come to the Netherlands to study the most divergent subjects. Most of them stay for periods of three weeks to six months.

International Institutes

The implementation of the technical assistance programmes has helped to give an impetus to the foundation in the Netherlands of a number of institutes which are specially intended for foreigners, viz. the International Institute for Social Studies, The Hague, the International Training Centre for Air Cartography, Delft, the International Agricultural Study Centre at Wageningen and the International Course for Small Concerns in Delft. An International Course for Hydraulic Engineering is in the process of foundation in Delft. The creation of these institutes has considerably alleviated an important problem, the language one.

DEFENCE EFFORTS

Increasing international tension after the close of World War II, and the conviction that only if they were united could the free peoples ever hope to withstand aggression by a totalitarian enemy, led the Netherlands, first, to conclude the Brussels Treaty in 1948, together with France, Britain, Belgium and Luxembourg; to join the North Atlantic Treaty Organization in 1949; and, still more recently, to take part in the creation of the Western European Union.

Although initially military commitments in Indonesia prevented the Netherlands from contributing at once to the common defence in the form of actual fighting forces, ever since the termination of these commitments at the beginning of 1950, and particularly after the outbreak of the Korean War, a whole-hearted effort has been made to fulfil obligations accepted under the NATO plans towards a speedy build-up of Western defence.

Defence preparations under NATO are not, however, the only obligations imposed on the Netherlands forces. Apart from those arising from membership of the United Nations, such as participation in the operations in Korea, they are also responsible for the defence of the Netherlands Realm overseas, comprising the Netherlands Antilles, Surinam and Western New Guinea. And finally, they are committed to protect the Netherlands Merchant Navy outside of the NATO area.

Principles of the defence build-up

The limited financial resources of a small country made it impossible for the Netherlands to plan a build-up of an Army, a Navy and an Air Force, all three sufficiently strong by themselves for the defence of the home country, the overseas parts of the Kingdom and the large merchant fleet. The concept of collective defence did not, moreover, call for a build-up of nationally balanced forces. The defence build-up of all allied nations could and had to be planned in accordance with the special commitments of the countries concerned on the one hand and the particular requirements of the common defence system on the other. If, by conforming to these principles, a gap was left in any particular sector of a country's defence, other allies were to consider it part of their responsibility to provide the necessary protection. In view of these basic principles the Netherlands laid special emphasis on the build-up of ground forces, without, however, excluding such contributions to the allied naval and air forces as were to be considered compatible with both allied requirements and national interests and sentiments. As a result, roughly half of the financial resources available are being allocated to the Army, with the Air Force and the Navy each receiving one quarter. Notwithstanding this unusual apportionment of 2 : 1 : 1 for Army, Navy and Air Force respectively, the build-up of modest but

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highly efficient and modern Naval and Air Forces, in addition to more sizable ground forces, has proceeded satisfactorily.

In conformity with the principles of allied cooperation within NATO, considerable financial and material aid for the defence build-up has also been received from the United States of America and Canada, without which forces of the size planned and attained could not have been properly armed and equipped.

Manpower and Universal Military Training

A system of universal military training has been in force since the beginning of this century. All able-bodied men, on reaching the age of 20, are enlisted for military service. With a population of 11 million, 55,000 medically fit young men now reach the conscription age every year. The minimum period for military training is 18 months. For cadre, technical and specialized categories the period is several months longer.

The Navy

Within the North Atlantic defence system the Royal Netherlands Navy contributes to the defence of the N.A.T.O. area.

Under the naval programme the Netherlands has been building an entirely new fleet of post-war designed ships. As a result the Royal Netherlands Navy consists now of submarines, minesweepers, aircraft patrol-boats and auxiliary vessels. Various

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Within the North Atlantic defence system the Royal Netherlands Navy contributes to the defence of the Nato area.

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Altogether these forces would total over a quarter of a million men. Of the Army

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The Navy

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Under the naval programme the Netherlands has been building an entirely new fleet of post-war designed ships. As a result the Royal Netherlands Navy consists now of submarines, minesweepers, aircraft patrol-boats and auxiliary vessels. Various new types of carrier-based and land-based aircraft have been added to the Naval Air Service.

The carrier has been submitted to a complete refit and has been provided with an angled deck and a steam catapult. The cruisers and destroyers are of an advanced design. Under construction are four submarines of a new basic design.

To be able to accommodate the new fleet it has been necessary to extend and modernize the naval base at Den Helder. It has been laid out in the shoals off the coast. The Royal Netherlands Navy incorporates the Marine Corps. The marines serve in establishments ashore, on board ships and in the overseas territories.

The Army

The build-up plans drawn up in close consultation with NATO originally called for land forces consisting by the end of 1957 of:

- a. one Army Corps of five infantry divisions, complete with all logistic and support elements, to be assigned to the Supreme Allied Commander Europe;
- b. the necessary forces for the defence of the interior, i.e. safeguarding of communications, of vital points, etc. and troops for air defence in co-operation with the Air Force;
- c. a Home Guard for local action.

Altogether these forces would total over a quarter of a million men. Of the Army

Corps, one divisional slice, i.e. a division with ancillary corps support, would be continually active and therefore instantly ready for action, the other divisions and corps troops remaining in being only in organizational nuclei and being fully mobilizable within three days.

Of the projected forces, the Army Corps organization and three divisions with ancillary corps support had been completed by October 1, 1954. The two remaining divisions were to come in 1956 and 1957 respectively, but in 1956, after one more division had been formed, it was decided to change the build-up plan in view of the increased significance of active units for the NATO shield forces. Under a new scheme, the total number of divisions will now be kept to four, but instead of only one, two of these four divisions will be active, whilst the active units will be organized within a separate active army corps. Thus, after the reorganization initiated in 1957 has been completed, the Netherlands' contribution to NATO land forces will consist of one active army corps of two divisions, supported by a similar though reserve army corps, also for two divisions.

With regard to the troops for the defence of the interior, all these have in the meantime been built up.

The Air Force

Air Force commitments, accepted under the NATO Paris plan of 1951, called for a contribution to be ready by the end of 1955 consisting of:

13 operational air bases of NATO standard; 6 day-fighter and 3 all-weather fighter squadrons for air defence; 6 tactical fighter-bomber squadrons; some reconnaissance and air transport squadrons.

Although these numbers, having regard to the overall NATO strength, are moderate, they represent a considerable effort in relation to the population of the country. The plan called for one modern, fully equipped air base for fighters per 1,000 square miles in the most densely populated country in the world. This entails a considerable sacrifice of much arable land. It also constituted the limit which can be achieved in the time allotted with present personnel resources. By the end of 1956 the plan had been completed.

The Merchant Navy

The significance of the Netherlands as a seafaring nation is indicated by the size of its merchant fleet, which is 3,851,351 G.R.T., according to figures issued in July 1956, ranking 7th in the world.

As in the last war, these ships must carry armament etc. for their own protection, and their crews must be able to use and maintain this equipment. The training of the men is an additional commitment of the Royal Netherlands Navy, which maintains a training course for this purpose. One half of the armament of the Merchant Navy is available.

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Netherlands New Guinea is a tropical territory situated between the Equator and 9 degrees latitude south, and between the 130th and 141st meridians of longitude. The latter meridian forms the frontier with that part of the island (the largest in the world) which is under Australian control.

The total area of the Netherlands part, including the islands, amounts to about 160,600 sq. miles; the aboriginal population is estimated at 700,000, of whom 311,400 had been registered by 1956. Of the 311,400 registered, 215,000 are Christians, 17,000 Mohammedans and approximately 2,200 Confucianists and Buddhists, the rest being pagans.

In the same year the European population numbered 14,400 and the Asian about 16,000.

The presence of extensive swamps and steep and rugged, strongly accented mountain massifs renders the country very difficult to traverse - more difficult in fact than the Australian part - with the result that the spread of control in the central mountain country (which is relatively densely populated in places) has made only slow progress. However, a gradual improvement has occurred in this recently, since more and more use has been made of aircraft. This made it possible, for instance, to establish a new administrative post in the Baliem Valley in 1956.

Geologically, New Guinea belongs to the Australian continent, to which it is connected by the Sahoul shelf; the fauna exhibits a close affinity with that of Australia. New Guinea is thus a border territory of Oceania and not of Asia. A striking example of the similarity of the two regions is that kangaroos occur in both of them.

The aboriginal population belong to the black-skinned main racial group of mankind and their languages form a separate group, distinct from the Australasian.

The mountain ranges in New Guinea are composed predominantly of chemically poor sandstone and limestone, marl and slate. Elements of volcanic origin, which are of such great importance to fertility, are almost entirely absent. In the valleys and plains stretches of land of reasonable quality are found here and there, mostly owing to the presence of a layer of humus. A certain amount of agricultural development will become possible if judicious use is made of these areas, although the best potentialities of New Guinea are presumably not to be sought in the first place in agriculture.

Various minerals are found in the soil. With the exception of oil, nickel and cobalt, there is as yet no evidence as to whether these minerals are present in quantities to justify working them. The enormous timber stand - the area of forests amounts

to 80 to 90 million acres - is one of the greatest natural resources of the country. Exploitation of these forests is at present handicapped by the difficulty of transporting felled timber to the coast.

The forests also furnish products such as dammar resin, copal and rattan. Extensive sago plantations provide food for a large proportion of the Papuans. They may also afford opportunities for commercial production, and this is being investigated. Copra is the leading export product.

Before the Second World War New Guinea was administered as part of the Netherlands East Indies.

When the sovereignty over Indonesia was transferred to the Republic of the United States of Indonesia, New Guinea was expressly excluded.

There the status quo was maintained; in other words, the territory of Netherlands New Guinea continued to be part of the Kingdom of the Netherlands.

The Netherlands Constitution was amended in 1952 to allow for the fact that Indonesia was no longer part of the realm. Netherlands New Guinea was therefore included in the enumeration of the various parts of the Kingdom. The relationship between Holland and New Guinea is that of metropolitan country and non-self-governing territory, falling within the provisions of Articles 73 and 74 of Chapter XI of the United Nations Charter.

In conformity with these, the Dutch Government is devoting its full attention to the task of furthering the development of the country and its people in full acknowledgement of the principle that the interests of the population are paramount. Endeavours are being made to incorporate the Papuans in this work to the greatest possible extent, whilst political education and development towards self-government are receiving attention.

Efforts are being made to promote cooperation with other powers, particularly with Australia, and also to cooperate within the framework of the South Pacific Commission with the powers administering the non-self-governing territories in the Pacific. The general administration is directed by a Governor residing at Hollandia. He governs in the name of the Queen, in accordance with the provisions of the Decree for the Regulation of the Administration of New Guinea and with directives issued by the Crown. The Governor is assisted by eight administrative services, each under the control of a director. Their spheres of responsibility cover Internal Affairs, Cultural Affairs, Social Affairs, Public Health, Finance, Agriculture and Fisheries, Transport and Power, and Waterways and Construction. In addition to these, there are at the immediate disposal of the Governor: the Government Secretariat, the Bureau for Legislation and Legal Affairs, the Office for General Affairs of Personnel, the Information and Broadcasting Office and the Office for Native Affairs. The territory of New Guinea is divided administratively into five divisions: Hollandia (capital Hollandia), Geelvink Bay (capital Biak), Central New Guinea (capital yet

to be determined), Sorong-Doom) and Hollandia into four Guinea six, Fak-Fak. Residents are in charge in the service of the resident is the co-general administration to the Governor. In broad outline, of New Guinea may New Guinea is still the ravage brought about had to be erected a complicated network of roads, airfields and sea and air transport within the reach of provided without of New Guinea will have been made, and should be in a position to years yet.

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to be determined), South New Guinea (capital Merauke), West New Guinea (capital Sorong-Doom) and Fak-Fak (capital Fak-Fak). All these divisions are subdivided - Hollandia into four parts, Geelvink Bay four, South New Guinea five, West New Guinea six, Fak-Fak three and Central New Guinea three.

Residents are in charge of each division; subdivisions are managed by controllers in the service of the internal administration. By virtue of his terms of office, the resident is the coordinator for his area of the activities of the different services of general administration, and he is also head of the police. He is directly responsible to the Governor.

In broad outline, the task which awaited the Netherlands in 1950 in the territory of New Guinea must be seen against the background of the low level of civilization; New Guinea is still in the Stone Age in many respects. A great difficulty was formed by the ravage brought about there by the war. In the first place, the machinery of government had to be erected on the existing ruins, and it had to be of a kind fit to perform a complicated task. Housing and offices, schools and hospitals had to be built; roads, airfields and harbour facilities had to be provided or improved; means of land, sea and air transport had to be found, methods of communication had to be brought within the reach of the population. In short, all the fundamental facilities had to be provided without which no progressive development of the land and the people of New Guinea would be possible. Great financial sacrifices to this end have already been made, and still more will be demanded in the future, for New Guinea will not be in a position to meet its development costs out of its own resources for many years yet.

According to the budget accounts for the years 1950 to 1954 incl., the figures for the expenditure and revenue together with those of the Netherlands Government contributions show the following picture.

year	expenditure	revenue	Netherlands Government contributions
1950	fls 36,000,000	fls 20,500,000	fls 15,500,000
1951	fls 47,000,000	fls 31,000,000	fls 16,000,000
1952	fls 58,500,000	fls 40,000,000	fls 18,500,000
1953	fls 77,500,000	fls 53,000,000	fls 24,500,000
1954	fls 94,000,000	fls 51,500,000	fls 42,500,000

The budgets for the years 1955 and 1956 show the following picture.

year	expenditure	revenue	Netherlands Government contributions
1955	fls 141,500,000	fls 56,500,000	fls 85,000,000
1956	fls 126,000,000	fls 60,000,000	fls 66,000,000

Work is going on to strengthen and to spread Government control. For this purpose, Papuans are being trained at the School of Administration at Hollandia. A start was also made there in 1954 with a special institute for the training of young Dutchmen who have passed the final examinations of Secondary Schools or Grammar Schools in Holland.

The quality of general elementary education is being improved – in 1956 there were 547 village schools, 17 continuation schools, 13 general primary schools and 13 European primary schools in the administered area. At the same time, technical schools, a police school, an elementary school of seamanship, training courses for personnel in the various Government services, schools for village schoolteachers and courses in practical agriculture are preparing the Papuans for the parts they will have to play in the development of their country.

Endemic diseases – malaria, yaws, filariasis, leprosy, tuberculosis, to mention only the principal ones – are being systematically combated. Vaccination against smallpox is being energetically pursued, and consultation centres are attached to all hospitals so that the most intensive attack possible can be made on infant mortality. With a population of about 400,000 in the area under administration, comprising all groups of the population, there is one doctor to every 8,000 inhabitants; in 1956 the number of nursing days in hospitals amounted to 293,576, the number of consultations at clinics to 849,948. In 1955 a large scale campaign for combating malaria and yaws was started with the support of the WHO and UNICEF.

A start is being made with plans to make New Guinea as nearly self-supporting as possible with regard to rice and timber. In the vicinity of Merauke the implementation of a rice-growing and stock-breeding project is making steady progress. A 400 hectare experimental polder reached such a stage of competition in 1955 that at the beginning of 1956 it was possible mechanically to sow the first rice on about 80 hectares. A medium-sized sawmill is being erected in Manokwari. A temporary sawing installation, forming part of the concern, has started production. The long-term economic development of the country is the subject of constant study by qualified experts.

As far as minerals are concerned, only oil has so far been exploited; production totalled 363,371 tons in 1956. A search for other minerals is being carried out systematically.

Soil examination for agricultural purposes has been carried out over an area of about 2 million acres.

Internal air transport is progressing rapidly; further progress is to be expected in the coming years through increased numbers of airfields and aircraft. The K.L.M. maintains connections with Amsterdam and Sydney, and Qantas with Australian New Guinea. The internal air transport network is for the greater part operated by the K.L.M.

The number of ships which entered New Guinea harbours rose from 2,147, with a

capacity of 3,000,000 in 1956. The Koninklijke Nederlandse Spoorwegen and K.J.C.P.L. with Syntex is by cargo boats. As regards coastal shipping, the north coast and one of the rivers, the Sepik, supply between the coast and forest products. (For further particulars see the Charter, from which

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capacity of 3,000,000 cubic metres, in 1951 to 5,084 ships with 5,920,000 cubic metres in 1956. The Koninklijke Paketvaart Maatschappij (Royal Intercean Lines) provides communications between New Guinea and Timor-Dilly and Singapore, and the K.J.C.P.L. with Sydney and Bangkok. The connection by sea with the Netherlands is by cargo boats of the Rotterdamsche Lloyd and the Maatschappij Nederland. As regards coastal traffic, the K.P.M. operates a service twice a month along the north coast and once a month along the south coast. Three small government coasters ply between the coastal kampongs and the river mouths in order to transport copra and forest products to selected depots.

(For further particulars see the full reports submitted by the Netherlands Government each year to the United Nations in accordance with section (e) of Article 73 of the Charter, from which the above particulars have been taken).

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